

Message Text

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65

ACTION OPIC-06

INFO OCT-01 ARA-06 ISO-00 EB-07 COME-00 TRSE-00 OMB-01 L-03

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R 272330E JUN 75

FM AMEMBASSY GUATEMALA

TO SECSTATE WASHDC 7202

LIMITED OFFICIAL USE GUATEMALA 3342

E.O. 11652: N/A

TAGS: EFIN, EINV, GT

SUBJECT: OPIC - SHENANDOAH OIL: FINANCING

REF: STATE 137498

1. EMBASSY HAS NO OBJECTION TO OPIC FINANCING (DIRECT LOAN OR LOAN GUARANTEE) SHENANDOAH OIL PIPELINE PROJECT. ATTITUDE OF GOG HOWEVER MAY BE ANOTHER MATTER.

2. IN GENERAL REVIEWS WITH MINISTER ECONOMY (PALOMO) AND MEMBER GOG "OPIC" COMMISSION" (SECAIRA) OF OPIC PROGRAM IN GUATEMALA, OFFICIAL "COLDNESS" OF GOG - TO QUOTE PALOMO - REITERATED TOWARDS INSURANCE ACTIVITY AND NECESSITY FOR SPECIFIC FORMAL GOG APPROVAL OF EACH CASE. PALOMO QUESTIONED WHETHER SUCH INSURANCE FOR US INVESTMENT NECESSARY IN GUATEMALA GIVEN COUNTRY'S EQUITABLE AND CAREFUL TREATMENT OF FOREIGN PROPERTIES; ALSO WHETHER AVAILABILITY OF APPROVED INSURANCE ESSENTIAL TO ATTRACT FURTHER US INVESTMENT.

3. GOG ATTITUDE TOWARD OPIC FINANCING MAY BE DIFFERENT SINCE NO GOG APPROVAL WOULD SEEM REQUIRED, OTHER THAN GENERAL PRIOR SANCTION OF PROJECT ITSELF IN COUNTRY. PALOMO REQUESTED LISTING OF ALL OPIC FACILITIES CURRENTLY OFFERED AND ACTION, IF ANY, WHICH HOST GOVERNMENT OBLIGED TO TAKE PRIOR TO OPIC'S EXTENSION SUCH FACILITIES. BASIC AGREEMENT WITH GUATEMALA OF AUGUST 9, 1960 LIMITED TO INVEST-
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MENT GUARANTEES (INSUREANCE VS. EXPROPRIATION, INCONTROVERTI-
BILITY), MAKES NO MENTION OF FINANCING (DIRECT LOANS; LOAN
GUARANTEES; PRE-INVESTMENT INFORMATION; COUNSELING AND COST
SHARING). EMBASSY ASSUMES NO SPECIFIC PRIOR GOG APPROVAL
REQUIRED FOR LATTER CATEGORY.

4. WISH TO RESPOND TO MINISTER'S INTEREST AND REQUEST OPIC
PREPARE STATMENT FOR EMBASSY TO PASS GOG.

5. WOULD APPRCIATE FURTHER DETAILS AS AVAILABLE ON SHENANDOAH
APPLICATION FOR FINANCING.

MELOY

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NNN

*** Current Handling Restrictions *** n/a

*** Current Classification *** LIMITED OFFICIAL USE

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
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Concepts: INVESTMENT LOANS, PETROLEUM, PIPELINES, PROGRAMS (PROJECTS)
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Draft Date: 27 JUN 1975
Decaption Date: 01 JAN 1960
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Disposition Action: RELEASED
Disposition Approved on Date:
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Disposition History: n/a
Disposition Reason:
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Margaret P. Grafeld
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